

SALEM'S REPOSITIONING CHALLENGE

- Current perceptions of SALEM are:
 - It's a brand for older, white females
 - It's a lighter, more menthol product
 - But, it does have a big, established brand equity
- Current perceptions of NEWPORT are:
 - It's a brand for young adult smokers
 - It has more tobacco taste
 - It is the brand to smoke
- We must rebuild SALEM equity among 21-29 year old menthol smokers
 - Elevate beyond the historical cool/fresh product attribute positioning
 - Differentiate from the rest of the menthol brands
- We need SALEM in order to complement the RJR portfolio strategically and tactically

SALEM'S TARGET SMOKERS

- Growth among 21-29 year old menthol smokers is critical to the successful repositioning of SALEM
- These smokers are:
 - Wired for discovery
 - Driven by sensory experiences
 - Diverse and multicultural
 - Live cutting edge (alternative)

POSITIONING STRATEGY

"INTRIGUE THE SENSES"

PRODUCT

- Product point of difference → *more sensory product experience*
 - Natural vs. synthetic menthol
 - Other product/packaging experiences:
 - Slide box/green cigarette
 - SALEM "house blends"
 - SALEM premium cigar
- Newport smokers rate the new SALEM slide box product superior to Newport Box on overall taste acceptance and the following attributes:
 - Menthol taste and cooling
 - Menthol to tobacco balance
 - Aftertaste
 - Draw

IMAGE/ATTITUDE

- SALEM's consumer communication will have a redefined menthol attitude
 - Unexpected
 - Stimulating
 - Imaginative
 - Cutting edge

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